



The Education Policy and Leadership Center  
800 North Third Street, Suite 408, Harrisburg, PA 17102  
717-260-9900 - www.eplc.org

---

## EPLC EDUCATION NOTEBOOK

Monday, February 11, 2013

SPECIAL EDITION

Summary of Governor Corbett's Proposed Education Budget  
FY 2013-14

Governor Corbett delivered his proposed budget for 2013-2014 to a joint session of the General Assembly on Tuesday, February 5. The Governor's budget for Fiscal Year 2013-2014 would spend \$11.7 billion in funding for early childhood education, K-12 education, and higher education. This represents 41 percent of the overall General Fund Budget.

The best news may be that proposals from the Governor for further education funding cuts have apparently ended. But while the Governor's budget offers some modest increases for a few education line items, most education-related line items are flat funded. **The modest increases barely begin to restore the nearly \$900 million in cuts felt by students in K-12 during the past two years. For higher education, flat funding locks in the significant funding cuts of the last two state budgets.**

For early education, there is good news in **proposed increases for Early Intervention, Pre-K Counts, and Head Start Supplemental Assistance**. These increases will enable more children to be served with these important services.

The Governor does propose a **\$90 million increase in basic education subsidy**, distributed on the basis of enrollment and aid ratio. The distribution would not consider the extraordinary needs of any students such as poverty or ESL.

Although he did not say this in his budget message, the Administration suggested in comments leading up to February 5 that basic education funding may be in jeopardy if the Legislature does not approve the Governor's plans for pension reform (see below).

The Governor's budget would **flat-fund special education for a sixth consecutive year**. And although the appropriation is flat funded, a commitment to shift \$10 million to the special education contingency fund would result in every school district getting a small decrease in their state funding for special education. This leaves school districts with the responsibility of funding with local revenues more than \$1.5 billion, a burden on local taxpayers that increases significantly each year.

The **Accountability Block Grant**, cut by 60% in 2011, and which the Governor sought to eliminate completely in 2012, would be level-funded at \$100 million, 40% of the appropriation in 2010.

Funding for **higher education** remains at the same level as the current year. This includes community colleges, the PASSHE, the state-related universities, institutional assistance grants for private higher education, and the PHEAA grant program. Higher education appropriations therefore remain at more than \$200 million below the level of state funding in 2010.

Governor Corbett proposes a new block grant initiative "**Passport for Learning**" which would utilize revenues from the sale of the state's liquor store system to establish a \$1 billion restricted receipt account for the new block grant, with \$200 million to be made available for grants to school districts for use in the 2014-2015 school year. The new program would award grants to school districts to support eligible activities in the areas of school safety and security, "Ready by 3", individualized learning, and science,

technology, engineering and mathematics (STEM) education in grades 6 through 12. More details about the Governor's "Passport for Learning" block grant can be obtained by visiting the [PDE website](#).

It should be noted that the purposes for which the "Passport" grants would be made available are all important activities which have been hindered by the loss of almost \$900 million annually in funding from the state, would be contingent on selling the liquor stores, and would provide no grant funding until 2014-2015 at the earliest.

The Governor also has proposed to resurrect an expanded and streamlined version of the **Mandate Waiver Program** that was in effect from 2000 until 2010. Under this program, school districts could apply to the Pennsylvania Department of Education (PDE) for a waiver from certain provisions of the Public School Code. The Governor also is endorsing **competency-based learning** initiatives to support school districts in offering alternative pathways for students to fulfill course and graduation requirements and **digital learning opportunities** to provide students access to rigorous, high quality online instruction.

In the weeks leading up to the Governor's budget message, he expressed his desire to have the Legislature address **pension reform**. He tied the state's obligation to fund K-12 education and any increases that he might propose on the Legislature's willingness to adopt pension reform measures. The Governor has now detailed his proposal for state pension reform, including changes that would impact on future pension rights of current employees. He has created a pressure to adopt the proposed changes by **underfunding the appropriation for the Public School Employees' Retirement Fund (PSERS)** by more than \$100 million than is required by current law.

It should also be noted that the Governor's budget for Fiscal Year 2013-2014 does nothing to restore funding that was eliminated over the past two years for the following programs: **Reimbursement of Charter Schools, Education Assistance Program, Intermediate Units, Dual Enrollment, School Improvement Grants, Science: It's Elementary, and High School Reform.**

Here's more information about some of the proposed appropriations.

#### **Early Education:**

The following early childhood education line items would receive an **increase** in the Governor's proposed budget:

- The **Pre-K Counts** would receive a 5.4 percent increase of \$4.5 million, for a total proposed funding of \$87.3 million.
- The **Head Start Supplemental Assistance** would be funded at \$39.2 million, an increase of \$1.9 million, or 5.1 percent.
- The **Early Intervention** would be increased \$5 million, or 2.3 percent, to \$221.9 million.

#### **Basic Education:**

The following basic education line items would receive an **increase** in the Governor's proposed budget:

- The **basic education subsidy** would be funded at \$5.49 billion, an increase of \$90 million, or 1.7 percent.
- The **PA Assessment** would receive a 7.2 percent increase of \$3.7 million, for a total proposed funding of \$55.96 million.
- **Pupil Transportation** would be funded at \$555.8 million, an increase of \$13.6 million, or 2.5 percent.
- **Nonpublic and Charter School Pupil Transportation** would receive a 1.2 percent increase, or \$950 thousand, for a total proposed funding of \$78.6 million.
- **Tuition for Orphans and Children Placed in Private Homes** would be funded at \$58.9 million, a proposed increase of \$331 thousand, or 0.6 percent.
- **PA Charter Schools for the Deaf and Blind** would be funded at \$41.4 million, a proposed increase of \$897 thousand, or 2.2 percent.
- **School Food Services** would receive a 2.4 percent increase of \$762 thousand, for a total proposed funding of \$32 million.
- The **Community Education Councils** would be funded at \$2 million, an increase of \$200 thousand, or 11.1 percent.
- The **School Employees' Retirement** would be funded at \$1.08 billion, an increase of \$223 million, or 26.2 percent.

The following education-related line items were **flat funded** at 2012-2013 levels:

- **General Government Operations:** \$23.4 million
- **Information and Technology Improvement:** \$4.1 million
- **Youth Development Centers- Education:** \$10.1 million
- **Basic Education Formula Enhancements:** \$2.5 million
- **Pennsylvania Accountability Grants:** \$100 million
- **Teacher Professional Development:** \$6.4 million
- **Adult and Family Literacy:** \$11.6 million
- **Career and Technical Education:** \$62 million
- **Authority Rentals and Sinking Fund Requirements:** \$296 million
- **Special Education:** \$1.026 billion
- **Education of Migrant Laborers' Children:** \$853 thousand
- **Special Education – Approved Private Schools:** \$98.3 million
- **School Employees' Social Security:** \$544 million
- **Services to Nonpublic Schools:** \$86.3 million
- **Textbooks, Materials and Equipment for Nonpublic Schools:** \$26.2 million
- **Library Services for the Visually Impaired and Disabled:** \$2.5 million
- **Library Access:** \$2.8 million
- **Safe School Initiative:** \$2 million
- **Transfer to Community College Capital Fund:** \$47.8 million
- **Regional Community Colleges Services:** \$2 million

#### **Higher Education:**

Governor Corbett's budget proposes **flat funding** (2012-2013 levels) for all sectors of higher education:

- **Community Colleges:** \$212.1 million
- **State System of Higher Education:** \$412.7 million
- **Pennsylvania State University:** \$227.6 million
- **University of Pittsburgh:** \$136 million
- **Temple University:** \$139.9 million
- **Lincoln University:** \$11.6 million
- **Thaddeus Stevens College of Technology:** \$10.33 million

In addition, the Governor's proposed budget would maintain level funding for **PHEAA Grants to Students** at \$344 million and **Institutional Assistance Grants** at \$24.3 million.

#### **Arts Council, Museums, and Libraries:**

- **Pennsylvania Council on the Arts'** administrative budget would receive a 3.7 percent increase from \$886 thousand to \$919 thousand. **Grants to the Arts** would be held level at \$8.1 million.
- **Pennsylvania Historical and Museum Commission** would be increased by 3.8 percent, going from \$17.8 million to \$18.4 million.
- **Library funding** would be held level. This means \$1.9 million for the **State Library**, \$53.5 million for the **public library subsidy**, \$2.6 million for **library services for the visually impaired and disabled**, and \$2.8 million towards the **library access** line item.

[Click here](#) for information from the **PA Department of Education** about the **proposed education budget**.

To view the **Senate Republican Appropriations Committee's** spreadsheets for the Governor's proposed FY 2013-2014 budget and a breakout of basic and special education funding per school district, [click here](#).

To view the **Senate Democratic Appropriations Committee's** budget analysis and spreadsheets showing education funding by school districts as proposed by the Governor for FY 2013-2014, [click here](#).

Click [here](#) to access the **House Democratic Appropriations Committee's** budget analysis and spreadsheets showing education funding by school districts as proposed by the Governor for FY 2013-2014.

Click [here](#) to access the **House Republican Appropriations Committee's** budget analysis and spreadsheets showing education funding by school districts as proposed by the Governor for FY 2013-2014.

Additional information and **analysis about the budget** will be posted on [EPLC's website](#) and in future editions of the **Notebook** as the budget debate continues during coming weeks.

The EPLC Education Notebook (current and past editions) also is available by visiting the EPLC website at <http://www.eplc.org/category/education-notebook/>

*EPLC Education Notebook is published by The Education Policy and Leadership Center (EPLC). Permission to reprint or electronically redistribute the Notebook in whole or in part is granted provided attribution to EPLC is provided.*

*The Education Policy and Leadership Center is an independent, non-partisan and not-for-profit organization. The Mission of the Education Policy and Leadership Center is to encourage and support the development and implementation of effective state-level education policies to improve student learning in grades P-12, increase the effective operation of schools, and enhance educational opportunities for citizens of all ages.*